



GIGANTIC FORGERY IN UNION PACIFIC

David Lamar, a Wall Street Operator, Gives Lobby Hunters Some Alleged Inside History Regarding Operations of the Harriman Lines—Admits Testimony Given By Judge Lovett Was Correct in All Details

TELLS OF IMPERSONATING CONGRESSMEN

Used All Sorts of Methods to Secure a Position With the Harriman Lines For His Friend Edward Lauterbach—Counsel For Union Pacific Says Lamar's Story Is Part of Scheme to Depress the Stock Which Might Become the Object of Bear Raid

Washington, July 2.—David Lamar, Wall street operator and one time confidante of Russell Sage, James R. Keene and other financiers, amazed the senate lobby committee today by smilingly and frankly testifying that it was he who impersonated Representatives Palmer and Riordan in telephone conversations with Lewis Cass Ledyard, Paul D. Cravath, Chairman Robert S. Lovett, of the Union Pacific board, and other prominent financiers, telling them that Edward Lauterbach, a New York lawyer, could do great things for them in Washington.

Lamar also astonished the committee by making a detailed charge that the Union Pacific railroad's books had been forged in 1901, on an item covering \$82,000,000 and that as one result Kuhn, Loeb & company and the late E. H. Harriman had laid the foundations of a gigantic fortune. When Lamar had finished Paul D. Cravath, of counsel for the Union Pacific put in a prepared statement to the committee alleging that Lamar's charge concerning the \$82,000,000—which amount is connected with the Union Pacific surplus—was part of a bear campaign to depress Union Pacific stock of which the railroads officials have had knowledge for several days.

Lamar amused, entertained and astounded the committee as he freely testified as to his impersonation of congressmen over the telephone. He did it all, he said, to impress the financiers with the abilities of his friend Edward Lauterbach but he stoutly denied there was ever any mention that Lauterbach should profit by legal fees.

Washington, July 2.—David Lamar, Wall Street operator, testified today before the senate lobby committee that he was the man mentioned in the testimony of Robert S. Lovett as having called Wall Street financiers on the telephone and having impersonated congressmen.

In 1897 Lamar said, Russell Sage authorized him to compel the Union Pacific to pay the government \$58,000,000 in bonds owing it. Lamar with Senator Foraker came to Washington and conferred with President McKinley.

"We were charged with being a pair of conscienceless blackmailers," said Lamar, "but that had no effect on us."

When Sage retired from business in 1901 on Sage's recommendation Lamar became associated with James R. Keene. Lamar said he warned Keene when the latter was buying Union Pacific stock that the railroad would use him to get revenge for Lamar's previous activity. He detailed how when Keene was finally decided against Keene, Union Pacific stock went down and Keene and his friends lost most of their fortunes.

"As a result of the panic of 1907," said Lamar, "Harriman, Kuhn, Loeb & Company, the National City bank and Morgan & Company became bound together as with an iron band."

"For the purpose of rendering my friend Lauterbach a service," he said, "and to restore to him his former friendly relation with Kuhn, Loeb & Company, Jacob Schiff and the Union Pacific officials, I did have conversations over the telephone with the Union Pacific officials and others and in those conversations I did use the names of other persons. But there was no suggestion of a fee to Mr. Lauterbach. On the strength of these telephone messages, Judge Lovett came here and charged that Edward Lauterbach had tried to blackmail him."

\$82,000,000 Forgery on U. P. Books. The Lauterbach incident, he added, "paled into insignificance" compared with a \$82,000,000 forgery which he alleged was committed on the Union Pacific books in 1901.

"I do not know who did it," said Lamar, "the chairman of the board or the office boy, but I do know this \$82,000,000 was the fulcrum which enabled Harriman and Kuhn, Loeb & Company to gain control of these corporations."

He described a double entry of \$82,000,000 representing securities the Union Pacific assumed in taking over the Oregon Short Line and the Oregon Railway and Navigation company. The items, he said, were carried in the "consolidated balance sheet" of the Union Pacific June 30, 1906, but between that time and June

called attention to the money trust and other investigation and urged Mr. Ledyard to employ Lauterbach.

"You were trying to convince Ledyard that Lauterbach was a sort of John D. Rockefeller for the Morgan firm," suggested Senator Nelson.

"That's it exactly," returned Lamar. "Then I called up Mr. Palmer's office in Washington," said Lamar, "with a smile, 'and found he would be in Bethlehem, Pa. the next Sunday. Then I called Mr. Ledyard and told him to call Palmer there. I had done all I wanted to, and I didn't want Mr. Palmer injured. I wanted to clear the atmosphere and prevent a possible scandal for Palmer.'"

Then the deception was revealed to Palmer and Ledyard that Sunday. Senator Overman insisted on knowing if Lamar ever impersonated any other congressman.

Oh Lord, I may have," said Lamar. "McReynolds is 'Derelict in His Duty.' Lamar reverted to his narrative to denounce the Union Pacific merger plan recently approved by the federal court at St. Paul, agreed to by Attorney General McReynolds and approved by President Wilson. The exchange of Southern Pacific and Baltimore & Ohio stock, he characterized as a farce and added that Mr. McReynolds had been 'derelict in his duty.'"

Lamar said that his plan was for the Union Pacific to buy the Central Pacific with Southern Pacific stock.

Senator Cummins questioned Lamar sharply and in the exchange the witness testified he was a Methodist and that Lamar was not his original name.

He declined to give the name, he said. "I have had several names," he said. Lamar's statement today before the senate lobby committee regarding the alleged forgery of the \$82,000,000 on the Union Pacific railroad's books in 1902, was substantially as follows:

"In the summer some time of 1901, somebody forged the books of the Union Pacific Railroad company to the tune of \$82,000,000. Who it was I don't know. As a consequence, the men connected with the company immediately thereafter got \$82,000,000 in cash as the proceeds of that forgery and that \$82,000,000 was the fulcrum through which all the monopolies and conspiracies were fastened on the lines of railroads serving the territory from the Rocky mountains to the Gulf of Mexico and from the Pacific ocean to the Missouri river, and more than that, it was the fulcrum through which this group of men, Harriman to the extent of \$150,000,000 or \$200,000,000, Kuhn, Loeb & Co. and one or two other stockholders of \$50,000,000 or \$100,000,000 more were enabled to acquire those gigantic fortunes."

To Investigate Mulhall Charges

Washington, July 2.—Representative Neely and Shereely both introduced resolutions for an investigation by a house committee of five into the charges of Martin Mulhall concerning his relations with congressmen in his work as chief "lobbyist" for the National Association of Manufacturers. Ten thousand dollars would be appropriated for expenses. The house referred the demand for an investigation to the rules committee with the understanding that the committee will report a resolution Saturday authorizing a broad investigation.

When the house convened again outbreaks of pleas of "not guilty" to Mulhall's charges began. Representative Shereely declared that if the Mulhall charge meant that he had been influenced in any way it was a "malicious, wanton, deliberate lie."

Republican Leader Mann, in a spirited speech said it was imperative that the house proceed at once to defend itself.

Mr. Mann favored allowing the rules committee to draw a broad resolution. "I am in favor of going beyond the Mulhall charges," he said. "While we are going into this national association of manufacturers, let's investigate the other side of this matter—the labor end. Let us find out about the temperance organizations, the labor unions and the others who have been interested in legislation before this house."

Cravath Issues Statement

Washington, July 2.—Paul D. Cravath, counsel for the Union Pacific, in a prepared statement today to the senate lobby committee, declared that David Lamar's charge of a forgery covering \$82,000,000 on the Union Pacific books was part of a bear attack on the Union Pacific stock and that railroad officials had known of it for several days.

Foraker's Statement

Cincinnati, July 2.—Former Senator J. B. Foraker, whose name was mentioned by David Lamar in his testimony before the senate lobby investigating committee, said today:

"I was associated with Mr. Lauterbach in bringing a suit in the United States court of Cincinnati. I think about 1901, in which it was sought to enjoin the voting of the Southern Pacific stock held by the Union Pacific. I cannot at this time recall the details of the case but the temporary injunction finally was dissolved. It was a cause very similar to the northern securities case which was fought out in the supreme court of the United States. So far as my knowledge goes Mr. Lamar had no connection with this matter. I have never had an intimate acquaintance with Mr. Lamar."

Newport, R. I., July 2.—The battleship Louisiana, commanded by Capt. Tamplin M. Fouts, was beached on the east side of Conanicut island in Narragansett bay this afternoon because of an accident to the injection valve which caused the engine room to fill with water.

RECOVERY OF THE JEWELS

Police Find Valise Containing \$96,000 Worth of Diamonds in Pennsylvania Depot in New York—Suspect Makes His Escape

New York, July 2.—William Beck, a clerk employed by the Fifth avenue jewelry firm of Udall and Ballou, and who fled shortly after the firm was robbed last week of \$98,000 worth of gems, was arrested today in New Jersey and brought back to New York. He is said to have made a confession of his knowledge of the robbery. His arrest followed the recovery today of the stolen gems in a valise at the Pennsylvania railroad station.

New York, July 2.—The more than \$98,000 worth of jewelry stolen from the Fifth avenue firm of Udall and Ballou was found here today in the Pennsylvania railroad station. It was in a valise.

The jewels, among them a blue diamond of great value, were stolen some time last Friday night during the excitement caused by a fire in the establishment. No arrests were made but William Beck, a young repair clerk in the store, when taken to police headquarters for questioning, jumped from a window of the building and fled. He had not been found this morning. The firm appraised its loss at about \$98,000.

Detectives found the satchel last night and waited until this morning hoping to make an arrest if anyone came to claim the bag. When no one came they took the find to police headquarters. There were 459 pieces of jewelry in the lot.

PROGRESSIVE BIRTHDAY

Theodore Roosevelt Sounds the Keynote of the New Party's Policies—Answers Recent Magazine Article By President Wilson

Newport, R. I., July 2.—"The demand in the first national platform of the Progressive party for regulation of corporations and combinations to 'insure their doing justice to their rivals, to their customers and to their employees' has been emphasized Theodore Roosevelt declared this afternoon at the clamor which opened the national conference of the Progressive party, by what has occurred since election in the West Virginia bituminous coal fields.

In opening his speech, Colonel Roosevelt pointed to the Progressive platform upon which he ran for the presidency last fall as a document which upholders of social and industrial justice in the future will recognize as one of the great documents of American political history. From it he cited two demands—the first that the national government undertake on a gigantic scale the work of harnessing the flood waters of the Ohio and Mississippi rivers, using for that purpose the outfit that has been used in the construction of the Panama canal. The second demand already referred to, Colonel Roosevelt dwelt upon at considerable length.

He quoted from court decisions and declared that he wished that he could make the men of property understand that in fighting such decisions and such conditions in West Virginia he was fighting against anarchy in favor of law and order and for property.

"The utter utility of the plan of action, or rather non-action, advocated in both the Republican and Democratic platforms, last year and christened by President Wilson with magnificent vagueness 'The new freedom' has been strikingly shown by what has thus occurred in West Virginia," Colonel Roosevelt declared.

"The new freedom' is nothing whatever but the right of the strong to prey on the weak, the big to crush the little men and to shield their iniquity beneath the cry that they are exercising freedom."

porations and combinations and using the West Virginia strike as the basis for his arguments for the adoption of progressive principles, Colonel Roosevelt said in part:

"That is needed is the thorough rooting out of the conditions which brought about the dreadful state of affairs in the West Virginia bituminous fields. In the district where the rioting has occurred the employing operators have endeavored to keep the miners in a state of practical serfage by the use of the company stores. This fact has been recognized and the practice forbidden in most civilized countries; in England for instance legislation was passed forbidding this practice more than 70 years ago.

"Our proposal is to put the government acting for the general public in such shape that it will not ask justice as a favor but demand it as a right which it is ready and able to enforce. The constitution belongs to the people and not the people to the constitution; and the courts are the servants of the people precisely as is true of all other public servants, legislative and executive alike. It is for the people and not the courts to say whether we shall have such laws in the interest of social and industrial justice, acts providing for cash payment in wages and abolishing these company stores."

"In the words of Abraham Lincoln, we propose that the people shall control both the legislators and the courts, not to pervert the constitution, but to overthrow those who themselves pervert the constitution into an instrument for perpetuating injustice. Instead of making it what it must and shall be made, the most effective of all possible means for securing to the people of the whole country the right everywhere to create conditions which will tend for the uplift of the ordinary, the average men, women and children of the United States."

BIG BATTLE STILL RAGES

Rebel Junta Reports That Federals Are Still Making a Strong Defense at Guaymas—Skirmish at Juarez

Douglas, Ariz., July 2.—By status that the battle at Guaymas was still in progress, Governor Pesquiera of Sonora admitted in telegrams to the Constitutional junta here today that the reports of the capture of the seaport by the rebels Monday was erroneous. The governor, who returned to Hermosillo today from the front, wired that the fighting at Guaymas was fiercer than ever.

"The Constitutionalists hold all of the best positions," the message read. "The federals are confined mostly to the barracks on the waterfront. The federal forces have suffered a serious defeat. We expect news of the federal surrender soon."

No mention was made in the message of General Pedro Ojeda, the federal commander, and a Constitutional agent, Gonzalez, said he was uncertain what to believe concerning him. Mexican consuls along the border received telegrams today from the minister of foreign affairs at Mexico City stating that Ojeda's forces in Guaymas were being protected by the gunboat Tampico.

Appeal for Lost Son

Los Angeles, Cal., July 2.—An appeal was sent to the state department at Washington today for the release of L. H. Morrison, a Los Angeles man, who is held prisoner by the Mexican federal forces. Morrison's parents, Mr. and Mrs. J. D. Morrison, were informed their son had been captured and taken to a prison in the state of Sinaloa.

Morrison was in the employ of a construction company near Guaymas. He was taken prisoner, according to advices received here, while making a trip from Guaymas to Hermosillo.

First Skirmish at Juarez

El Paso, Texas, July 2.—The first skirmish in the rebel campaign against Juarez was fought last night and resulted in a victory for the rebels. The fighting took place at Guadalupe, forty miles east of Juarez on the Rio Grande, when Toribio Ortega appeared from Olinda with 400 men, who were fired upon by about 100 scouts and federal volunteers garrisoning the town of Guadalupe. The fighting continued until 8 o'clock this morning, when the rebels rushed the federals and took the town. The federals are believed to be retreating to Juarez. The extent of the casualties is not known.

Pancho Villa's rebels have not yet appeared in the vicinity of Juarez.

Indict Rebel Governor

Los Angeles, Cal., July 2.—Ignacio L. Pesquiera, Constitutional governor of the state of Sonora, was among those recently indicted by the federal grand jury in Los Angeles on charges of having violated the neutrality laws by conspiring to smuggle an aeroplane owned and piloted by Didier Masson, the French aviator, across the international line from Arizona into Mexico. This statement was made here today by the United States district attorney, according to the statement, were indicted at the same time on the same

charge, including Didier Masson, the governor's office. Nine other men, an aeroplane, who assisted the Constitutionalists in their recent warfare. Neither Governor Pesquiera nor Masson has been arrested.

SULZER ISSUES STRONG DENIAL

Gettysburg, Pa., July 2.—Governor Sulzer of New York who arrived here this afternoon issued an interview in connection with the suit of breach of promise filed against him in Philadelphia yesterday.

"There is nothing to it, I am afraid of. The whole thing looks like a poor conspiracy and seems to be stale and fishy," said the governor.

"The suit of this woman Hopkins is blackmail and it is instigated by his political enemies and is a part of the plot of Boss Murphy and his political conspirators to discredit me because they cannot use me for their schemes to loot the state of New York. I defy them all to do their worst. Their effort to injure me with honest people will be abortive. I shall go forward without fear. I never did a thing in my life of which I am ashamed."

"Sufficient to say," said the governor in conclusion, "that I knew this Hopkins woman years ago. I was a friend of her family in their distress but I deny emphatically that I ever agreed to marry her; that I ever wronged her; that I ever lived with her, or that I ever held her out to be my wife."

ACTRESS TO GET DAMAGES

Marquis of Northampton Promises to Pay Daisy Markham \$250,000 and Costs of Suit as Result of Breach of Promise

London, July 2.—Two hundred and fifty thousand dollars and all the costs of the suit is the price the Marquis of Northampton has agreed to pay to settle the suit for breach of promise brought against him by the actress, Miss Daisy Markham, whose real name is Miss Violet Moss. The costs will amount to a considerable sum on account of the number of distinguished counsel engaged.

The Marquis, better known as Earl Compton, only recently succeeded to the title at the age of 27. The plaintiff is both well known in the United States and the British Isles, under her stage name.

The settlement was announced when the case was called in the high court of justice this morning in a court room crowded with fashionable women and actresses who had come in anticipation of listening to interesting evidence.

Sir Edward Carson appearing in behalf of Miss Markham explained that Miss Markham met the Marquis last year when he made a promise of marriage to her which was not defied. Subsequently at the desire of his father, the Marquis broke off the engagement. In doing so he wrote Miss Markham that he wanted her to believe his action had been taken from a sense of duty, genuinely believing it best for both parties. When her father talked to him the Marquis wrote her "faced me with the same thoughts I told you of when I first loved you, which I have ever since been trying to suppress."

"You do not know how these so-called ladies will treat you and I really could not bear to see you suffering in my position! You will always be my ideal! My beautiful dream!"

The letter concluded:

"Your broken hearted bim."

This was the Marquis of Northampton's nick name.

CITY SEIZES ICE PLANTS

Cincinnati, O., July 2.—The board of health today ordered the city officers of Cincinnati to seize and operate all ice plants in the city and to use every available means of distributing ice to the general public. Mayor Hunt sent a communication to the board declaring that a public emergency existed.

This action followed refusal of the ice manufacturers to arbitrate with the striking drivers, helpers and engineers of the ice plants. A statement from the medical profession to the mayor that unless ice in bountiful quantities was obtained soon, the death rate would be increased 100 per cent precipitated the order by the board of health.

MURDER IS A MYSTERY

Chicago Teamster Finds Body of Well-Dressed Unidentified Woman, With Throat Cut, at Rear of Department Store—Robbery Was Motive For Crime

Chicago, July 2.—On a blood spattered platform in the rear of a store at 701 West Madison street the body of a well-dressed unidentified woman about 35 years old, was today found by a teamster, who after notifying the night watchman, disappeared. The woman's jugular vein had been severed and nearby was a bloody clasp knife with a three-inch blade. She had apparently struggled desperately for her life.

Photographs were made of bloody finger prints on the platform. The only other thing that the police hope may furnish a clue to the murder is a black cloth band evidently from a man's hat and found near the body. The police do not believe that robbery was the motive for the murder, but remove her gold necklace and locket, plain gold ring and gold ring set with a ruby.

Andrew Dufran, night watchman, at Volunteers of America hotel, was questioned by the police. Numerous scratches on his right arm he said were made by a cat.

The victim was later identified as Mrs. F. Weston, a piano teacher and singer, who appeared in moving picture theatres, sometimes being known as Mrs. Mitchell.

The police are working on the theory that the murder was done by "Apaches" who infest the district where the tragedy occurred and that the motive was robbery. While jewelry was not molested, her purse was empty.

ACTING ATTORNEY M'KINLEY RESIGNS

San Francisco, July 2.—Benjamin L. McKinley, acting United States attorney here pending senatorial confirmation of President Wilson's nomination of Thomas E. Hayden to succeed John L. McNab, resigned, following the action of his chief today by tendering his resignation. He gave as a motive a desire to return to private practice.

Mr. McKinley is a Republican and a cousin of the late President McKinley. His resignation makes the third change in the staff of the department of justice here since McNab telegraphed to President Wilson that he could not retain his position with self-respect, in view of the attitude of the department toward the Dicks-Caminetti cases and the alleged Western Fuel frauds, which await trial. Clayton Herrington, investigator of the department, who warmly supported McNab, was dismissed last night.

M'LOUGHLIN WILL MEET WILDING

Wimbledon, England, July 2.—Maureen E. McLoughlin of San Francisco, the United States lawn tennis champion, by defeating Stanley N. Doust, the Australian Davis cup captain in the final round of the all-England lawn tennis singles championship tournament today, won the right to challenge A. F. Wilding of New Zealand, the title holder. The match will be played here on Friday. McLoughlin beat Doust three straight sets.

TODAY IN CONGRESS

Washington, July 2.—The day in congress:
Senate.
Met 2 p. m.
Caucus continued work on tariff bill.
House.
Met at noon.
Referred resolutions for investigation of Mulhall charges to rules committee.
Adjourned at 2:50 p. m. to noon Saturday.

TODAY'S GAMES

Browns Defeat Naps.
St. Louis, July 2.—(American.)—First game:
Cleveland 1 6 1
St. Louis 2 5 3
Batteries: Mitchell and O'Neil; Hamilton and Agnew.
(10 Innings.)
Senators Shut Out Red Sox.
Boston, July 2.—(American.)—Washington 5 6 0
Boston 0 4 0
Batteries: Boelling and Henry; Moseley, Foster and Carrigan.
(Additional Sports on Page Two.)

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